

FINANCIAL AID ADVISORY COMMITTEE ANNUAL REPORT

COMMITTEE ABOLISHMENT DATE: 10/31/2021

Committee Purpose: The Financial Aid Advisory Committee was created to provide the Board with advice and recommendations regarding the development, implementation, and evaluation of state financial aid programs for college students. In this capacity, it is also to assist staff in the development of training materials for use by the Center for Financial Aid Information and others in informing students, parents, secondary education counselors, college personnel, members of appropriate community-based organizations, and others about financial aid opportunities for Texas students, including eligibility requirements and procedures for applying for financial aid. In addition, the committee shall provide insight on state financial aid program policies and procedures (e.g. eligibility, allocations, disbursement processes, etc.), review the collection, use, and reporting of data, and identify areas of research for consideration.

Annual Report Period: November 2016 - November 2017

Chair: Delisa Falks – Texas A&M University

Vice Chair: Zelma De Leon – University of North Texas

Past Chair: Chris Murr – Texas State University

Committee Members:

Alan Ahmad – TASFAA Representative

Doris Constantine - St. Edward's University

Melissa Elliot - Vernon College

Jeanne Gage - Texas A&M University Corpus Christi

Carl Gordon - College of the Mainland

Audree Hernandez - Trinity University

Sandi Jones - McLennan Community College

Rosario Juarez - Austin Community College

Carolyn Mallory - University of Houston – Victoria

Robert Merino - San Jacinto Community College District

Alan Pixley - Collin College

Cathy Sanchez - University of N. Texas Health Science Center

Kara Tappendorf - Hendrickson High School

Diane Todd Sprague - The University of Texas at Austin

Matthew Vandermause - Student Representative

Anne Walker - Rice University

Harold Whitis - Alamo CCD

Committee Meeting Dates:

November 16, 2016

February 23, 2017

June 1, 2017

September 7, 2017

Annual Costs Expended

Travel: \$5,831.76

Other: N/A

Time Commitments: It is estimated that committee members and agency staff spend at least 387 total hours in preparation, meeting day, and post-meeting administrative activities for each quarterly meeting.

Current Recommendations to the Board:

1. Continue support of tuition set aside funds
2. Explore innovative financial aid practices
3. Change the state priority date, due to FAFSA now opening in October each year.
4. Provide guidelines for implementing SB 887 (student loan debt disclosures)
5. Align state financial aid policy with federal financial aid policy where possible (e.g. controlled substance regulations)
6. Provide institutions access to a student's complete state loan history

Summary of Tasks Completed:

Over the course of the year, the Financial Aid Advisory Committee addressed a number of financial aid topics and engaged in the following discussions:

Data Collection

- Continued work of the Data Collection Subcommittee to simplify and reduce the number of reports that institutions must submit to THECB, by integrating the current end-of-year reports into the Financial Aid Database System (FADS) report, along with reconciliation of state funds. The first reporting cycle for the new FADS report will be in January 2018. The Financial Aid community will report via FADS several times a year.
- Financial Aid Memorandum of Understanding (MOU) revisions - a subcommittee was formed to assist with creating a universal document (MOU).
- Recommendations to align retention of state aid documents with federal aid retention timelines (*at this time, the THECB has determined it prefers 7 years instead of the 5 years previously required by the THECB*). The federal aid program record retention requirement is 3 years.
- Prior-Prior-Year subcommittee recommended that the priority deadline for state programs be changed from March 15 to January 15, beginning in FY 2020.

Legislative Review

- Feedback was provided to THECB External Relations representative John Wyatt on several legislative proposals. Members asked questions and sought clarification regarding THECB's recommendations and bills that were filed in the 85th Texas Legislative session. For example:
 - SB 18 Repeal of Designated Tuition Set-Asides: What purpose would repealing set asides accomplish if institutions plan to use these funds for financial aid?
 - SB33/SB885 (TEXAS Grant): Members expressed concern regarding the number of students who would be ineligible for the program if they had to complete 30 SCH annually. One recommendation was to allow transfer credit hours to count, so the students could meet the 30 SCH requirement.
 - 3 (TEOG): Members expressed concern about restricting TEOG awards to cover only tuition, fees, and books. Federal Pell grants are an entitlement for those who qualify, and are first awarded to cover these costs before a TEOG is awarded to a student. Therefore, high-need students with additional necessary costs, such as transportation, would not be eligible for a TEOG, possibly causing them to drop classes, drop out entirely, or go into debt to cover these costs.
 - HB836/SB887: Members expressed their hopes that institutions will have the ability to use existing tools to provide students annual information regarding their loans. The THECB gave a presentation to FAAC this year regarding the information the agency provides to its borrowers, which was very

informative. The idea of developing a student-level state loan history was discussed. There is a statewide need for all institutions, public and private, to provide more information to students regarding their debt.

- Discussed and formed a subcommittee to provide feedback on THECB legislative proposals for the 86th Session of the Texas Legislature. The first meeting (conference call) was held in November 2017.

FAD Certification Deadlines

Members provided suggestions to the THECB for schools that do not meet the FADS certification deadlines. The following are some suggestions:

- THECB provide institutions with program status information (heads-up regarding what the institutions should be looking for in preparation for the FADS)
- Open the submission process earlier to give schools more time to rectify errors
- Provide quicker turn-around for edit reports results to the institutions
- Provide institutions a list of the specific programs the agency believes the institutions participated in during the year being reported.
- Provide clear explanations of errors or problems in the report to institutions
- Allow overrides to carry forward to later submissions
- Survey schools that are late in reporting, to determine why they are late; select the institution for an audit, if late in submitting.

Presentations

THECB arranged for presenters on topics relevant to the committee during the past year that were very informative and helpful for institutions of higher education. The committee is very appreciative of these presentations. Here are some of the presentations provided during the past year:

1. Overview of the Financial Literacy Advisory Committee
2. Presentation on Student Debt in the THECB Almanac
3. Demonstration of the HelmNet loan portal system upgrade
4. *TG's Project Success*
5. A Failure to Communicate: How University Idiolect Ignores Underrepresented Post-Secondary Students
6. Texas OnCourse
7. THECB borrower notifications

Members offered the following examples of why the FAAC is important:

- The opportunity to share information helps both the agency and the institutions gain a better understanding and make better decisions related to higher education financial aid issues/concerns
- Current financial aid practitioners can share thoughts regarding what does and does not work across the sectors based on actual day-to-day experiences
- Provides a platform to address administrative inefficiencies, to identify key services, and to discuss how we can make those services more efficient and successful

- Allows members to serve as student advocates, promoting a balance between the statutory/regulatory world and what actually occurs on campuses
- Provides opportunities to influence research and reporting

FAAC members are appreciative of the Board's approval for the continuation of the Committee.